

# SENATE BILL No. 288

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 16-18-2; IC 16-48.

**Synopsis:** Health security program. Establishes the health security program within the state department of health. Provides for health coverage for eligible individuals.

**Effective:** July 1, 2006.

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### Simpson

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January 9, 2006, read first time and referred to Committee on Health and Provider Services.

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

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## SENATE BILL No. 288



A BILL FOR AN ACT to amend the Indiana Code concerning health.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 16-18-2-49 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 49. (a) "Carrier", for  
3 purposes of IC 16-41, means a person who has:

- 4 (1) tuberculosis in a communicable stage; or
- 5 (2) another dangerous communicable disease.

6 (b) "Carrier", for purposes of IC 16-48, has the meaning set  
7 forth in IC 16-48-1-2.

8 SECTION 2. IC 16-18-2-62.2 IS ADDED TO THE INDIANA  
9 CODE AS A NEW SECTION TO READ AS FOLLOWS  
10 [EFFECTIVE JULY 1, 2006]: Sec. 62.2. "Commissioner" refers to  
11 the state health commissioner appointed under IC 16-19-4-2.

12 SECTION 3. IC 16-18-2-92.8 IS ADDED TO THE INDIANA  
13 CODE AS A NEW SECTION TO READ AS FOLLOWS  
14 [EFFECTIVE JULY 1, 2006]: Sec. 92.8. "Dependent", for purposes  
15 of IC 16-48, has the meaning set forth in IC 16-48-1-3.

16 SECTION 4. IC 16-18-2-106.6 IS ADDED TO THE INDIANA  
17 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2006]: **Sec. 106.6. "Eligible business", for**  
 2 **purposes of IC 16-48, has the meaning set forth in IC 16-48-1-4.**  
 3 SECTION 5. IC 16-18-2-106.7 IS ADDED TO THE INDIANA  
 4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 5 [EFFECTIVE JULY 1, 2006]: **Sec. 106.7. "Eligible employee", for**  
 6 **purposes of IC 16-48, has the meaning set forth in IC 16-48-1-5.**  
 7 SECTION 6. IC 16-18-2-106.8 IS ADDED TO THE INDIANA  
 8 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 9 [EFFECTIVE JULY 1, 2006]: **Sec. 106.8. "Eligible individual", for**  
 10 **purposes of IC 16-48, has the meaning set forth in IC 16-48-1-6.**  
 11 SECTION 7. IC 16-18-2-114 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 114. (a) "Employer",  
 13 for purposes of IC 16-41-11, has the meaning set forth in  
 14 IC 16-41-11-1.  
 15 **(b) "Employer", for purposes of IC 16-48, has the meaning set**  
 16 **forth in IC 16-48-1-7.**  
 17 SECTION 8. IC 16-18-2-159.1 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 159.1. (a) "Health  
 19 benefit plan", for purposes of IC 16-47-1, has the meaning set forth in  
 20 IC 16-47-1-2.  
 21 **(b) "Health benefit plan", for purposes of IC 16-48, has the**  
 22 **meaning set forth in IC 16-48-1-8.**  
 23 SECTION 9. IC 16-18-2-267.7 IS ADDED TO THE INDIANA  
 24 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 25 [EFFECTIVE JULY 1, 2006]: **Sec. 267.7. "Participating employer",**  
 26 **for purposes of IC 16-48, has the meaning set forth in IC 16-48-1-9.**  
 27 SECTION 10. IC 16-18-2-294.5, AS AMENDED BY P.L.95-2005,  
 28 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2006]: Sec. 294.5. (a) "Program", for purposes of IC 16-40-4,  
 30 has the meaning set forth in IC 16-40-4-3.  
 31 **(b) "Program", for purposes of IC 16-47-1, has the meaning set forth**  
 32 **in IC 16-47-1-3.**  
 33 **(c) "Program", for purposes of IC 16-48, has the meaning set**  
 34 **forth in IC 16-48-1-10.**  
 35 SECTION 11. IC 16-18-2-294.6 IS ADDED TO THE INDIANA  
 36 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 37 [EFFECTIVE JULY 1, 2006]: **Sec. 294.6. "Program carrier", for**  
 38 **purposes of IC 16-48, has the meaning set forth in IC 16-48-1-11.**  
 39 SECTION 12. IC 16-18-2-294.7 IS ADDED TO THE INDIANA  
 40 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 41 [EFFECTIVE JULY 1, 2006]: **Sec. 294.7. "Program enrollee", for**  
 42 **purposes of IC 16-48, has the meaning set forth in IC 16-48-1-12.**

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1 SECTION 13. IC 16-18-2-295, AS AMENDED BY P.L.90-2005,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2006]: Sec. 295. (a) "Provider", for purposes of IC 16-21-8,  
4 has the meaning set forth in IC 16-21-8-0.6.

5 (b) "Provider", for purposes of IC 16-38-5, IC 16-39 (except for  
6 IC 16-39-7) and IC 16-41-1 through IC 16-41-9 and IC 16-41-37,  
7 means any of the following:

8 (1) An individual (other than an individual who is an employee or  
9 a contractor of a hospital, a facility, or an agency described in  
10 subdivision (2) or (3)) who is licensed, registered, or certified as  
11 a health care professional, including the following:

- 12 (A) A physician.
- 13 (B) A psychotherapist.
- 14 (C) A dentist.
- 15 (D) A registered nurse.
- 16 (E) A licensed practical nurse.
- 17 (F) An optometrist.
- 18 (G) A podiatrist.
- 19 (H) A chiropractor.
- 20 (I) A physical therapist.
- 21 (J) A psychologist.
- 22 (K) An audiologist.
- 23 (L) A speech-language pathologist.
- 24 (M) A dietitian.
- 25 (N) An occupational therapist.
- 26 (O) A respiratory therapist.
- 27 (P) A pharmacist.

28 (2) A hospital or facility licensed under IC 16-21-2 or IC 12-25 or  
29 described in IC 12-24-1 or IC 12-29.

30 (3) A health facility licensed under IC 16-28-2.

31 (4) A home health agency licensed under IC 16-27-1.

32 (5) An employer of a certified emergency medical technician, a  
33 certified emergency medical technician-basic advanced, a  
34 certified emergency medical technician-intermediate, or a  
35 certified paramedic.

36 (6) The state department or a local health department or an  
37 employee, agent, designee, or contractor of the state department  
38 or local health department.

39 (c) "Provider", for purposes of IC 16-39-7-1, has the meaning set  
40 forth in IC 16-39-7-1(a).

41 **(d) "Provider", for purposes of IC 16-48, has the meaning set**  
42 **forth in IC 16-48-1-13.**

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1 SECTION 14. IC 16-18-2-351.7 IS ADDED TO THE INDIANA  
2 CODE AS A NEW SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2006]: **Sec. 351.7. "Third party  
4 administrator", for purposes of IC 16-48, has the meaning set forth  
5 in IC 16-48-1-14.**

6 SECTION 15. IC 16-18-2-357.7 IS ADDED TO THE INDIANA  
7 CODE AS A NEW SECTION TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 2006]: **Sec. 357.7. "Unemployed individual",  
9 for purposes of IC 16-48, has the meaning set forth in  
10 IC 16-48-1-15.**

11 SECTION 16. IC 16-48 IS ADDED TO THE INDIANA CODE AS  
12 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
13 2006]:

14 **ARTICLE 48. HEALTH SECURITY PROGRAM**

15 **Chapter 1. Definitions**

16 **Sec. 1. The definitions in this chapter apply throughout this  
17 article.**

18 **Sec. 2. "Carrier" means:**

- 19 (1) an insurance company that holds a certificate of authority  
20 to issue or deliver a policy of accident and sickness insurance  
21 (as defined in IC 27-8-5-1); or
- 22 (2) a health maintenance organization that holds a certificate  
23 of authority granted under IC 27-13.

24 **Sec. 3. "Dependent" means:**

- 25 (1) a spouse;
- 26 (2) an unmarried child who is less than nineteen (19) years of  
27 age;
- 28 (3) a child who is:
  - 29 (A) a student;
  - 30 (B) less than twenty-three (23) years of age; and
  - 31 (C) financially dependent upon a program enrollee; or
- 32 (4) an individual of any age who is:
  - 33 (A) the child of a program enrollee; and
  - 34 (B) disabled and dependent upon the program enrollee.

35 **Sec. 4. (a) "Eligible business" means a business, including a  
36 municipality, that employs at least two (2) but not more than fifty  
37 (50) eligible employees, the majority of whom are employed in  
38 Indiana.**

39 **(b) One (1) year after the commencement of operation of the  
40 program, the commissioner may adopt rules under IC 4-22-2 to  
41 define the term "eligible business" to include larger employers.**

42 **Sec. 5. (a) "Eligible employee" means an employee who works**

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1 for an eligible business at least twenty (20) hours per week.  
 2 (b) The term does not include an employee who works:  
 3 (1) on a temporary or substitute basis; or  
 4 (2) less than twenty-seven (27) weeks per year.  
 5 Sec. 6. "Eligible individual" means:  
 6 (1) a self-employed individual:  
 7 (A) who works and resides in Indiana;  
 8 (B) who is organized as a sole proprietorship or in another  
 9 manner in which a self-employed individual may legally  
 10 organize; and  
 11 (C) a substantial part of whose income is derived from a  
 12 trade or business through which the individual attempts to  
 13 earn taxable income;  
 14 (2) an unemployed individual who resides in Indiana; or  
 15 (3) an individual employed in an eligible business that does  
 16 not offer health coverage.  
 17 Sec. 7. "Employer" means the:  
 18 (1) owner of a business; or  
 19 (2) responsible agent of a business who is authorized to sign  
 20 contracts on behalf of the business.  
 21 Sec. 8. "Health benefit plan" includes the following:  
 22 (1) A policy of accident and sickness insurance (as defined in  
 23 IC 27-8-5-1).  
 24 (2) A contract with a health maintenance organization under  
 25 IC 27-13.  
 26 Sec. 9. "Participating employer" means an eligible business that  
 27 contracts with the state department under this article.  
 28 Sec. 10. "Program" refers to the health security program  
 29 established by IC 16-48-2-1.  
 30 Sec. 11. "Program carrier" means a carrier that has entered  
 31 into a contract with the state department to provide health benefit  
 32 plan coverage under the program.  
 33 Sec. 12. "Program enrollee" means an eligible individual or  
 34 eligible employee who enrolls in the program.  
 35 Sec. 13. "Provider" means a person that is authorized to  
 36 provide health care services and products in Indiana.  
 37 Sec. 14. "Third party administrator" means a person that:  
 38 (1) receives or collects charges, contributions, or premiums  
 39 for; or  
 40 (2) settles claims in connection with;  
 41 a health benefit provided in or as an alternative to a health benefit  
 42 plan.

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1           **Sec. 15. "Unemployed individual" means an individual who**  
2 **works not more than twenty (20) hours per week for a single**  
3 **employer.**

4           **Chapter 2. Health Security Program**

5           **Sec. 1. The health security program is established within the**  
6 **state department to provide comprehensive, affordable health**  
7 **coverage to eligible employees, eligible individuals, and dependents**  
8 **of eligible employees and eligible individuals on a voluntary basis.**

9           **Sec. 2. The state department shall do the following:**

10           **(1) Determine the comprehensive services and benefits to be**  
11 **included in the program and develop the specifications for the**  
12 **program's health coverage.**

13           **(2) Establish administrative and accounting procedures as**  
14 **recommended by the state board of accounts for the operation**  
15 **of the program.**

16           **(3) Develop and implement a plan to publicize the existence of**  
17 **the program, including eligibility requirements and**  
18 **enrollment procedures.**

19           **(4) Arrange the provision of program health coverage to**  
20 **eligible individuals and eligible employees through contracts**  
21 **with one (1) or more qualified bidders.**

22           **(5) Develop a high risk pool for program enrollees.**

23           **Sec. 3. The state department may do the following:**

24           **(1) Enter into contracts with qualified third parties for a**  
25 **service necessary to implement this article.**

26           **(2) Take legal action necessary to:**

27           **(A) avoid the payment of improper claims against the**  
28 **coverage provided by the program;**

29           **(B) recover amounts erroneously or improperly paid by**  
30 **the program;**

31           **(C) recover amounts paid by the program as a result of**  
32 **mistake of fact or law;**

33           **(D) recover or collect savings offset payments due the**  
34 **program or that are necessary for the proper**  
35 **administration of the program; and**

36           **(E) recover amounts due the program.**

37           **(3) Establish and administer a revolving loan fund to assist**  
38 **providers in the purchase of hardware and software necessary**  
39 **to implement requirements for electronic submission of**  
40 **claims.**

41           **(4) Solicit matching contributions to a revolving loan fund**  
42 **established under subdivision (3) from each program carrier.**

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- 1           (5) Apply for and receive funds, grants, or contracts.
- 2           (6) Conduct studies and analyses related to the provision of
- 3           health care services, health care costs, and quality.
- 4       **Sec. 4. The auditor of state shall annually:**
- 5           (1) audit the program; and
- 6           (2) submit a copy of the audit results to the legislative council
- 7           in an electronic format under IC 5-14-6.
- 8       **Chapter 3. Health Coverage**
- 9       **Sec. 1. The state department shall provide health coverage**
- 10       **under the program through one (1) or more program carriers not**
- 11       **later than July 1, 2007.**
- 12       **Sec. 2. The state department shall do the following:**
- 13           (1) Issue requests for proposals from carriers.
- 14           (2) Require program carriers to offer a health benefit plan
- 15           that meets the program's requirements.
- 16           (3) Make payments to program carriers.
- 17       **Sec. 3. The state department may do the following:**
- 18           (1) Set allowable rates for administration and underwriting
- 19           gains.
- 20           (2) Arrange for the provision of quality improvement, disease
- 21           prevention, disease management, and cost containment
- 22           provisions through contracts with program carriers or other
- 23           entities.
- 24           (3) Administer continuation benefits for an eligible individual
- 25           who:
- 26                (A) was previously employed by an employer that employs
- 27                at least twenty (20) employees; and
- 28                (B) purchased health coverage through the program for
- 29                the duration of the employee's eligibility period for
- 30                continuation benefits under the federal Consolidated
- 31                Omnibus Budget Reconciliation Act, Public Law 99-272,
- 32                Title X, Private Health Insurance Coverage, Sections
- 33                10001 to 10003.
- 34           (4) Administer or contract to administer Internal Revenue
- 35           Code of 1986, Section 125 plans for employers and employees
- 36           that participate in the program, including medical expense
- 37           and dependent care reimbursement accounts.
- 38       **Sec. 4. To qualify as a program carrier, a carrier shall do the**
- 39       **following:**
- 40           (1) Provide health care services and coverage for the program
- 41           as determined by the state department, including:
- 42                (A) a standard benefit package that includes coverage for

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- 1 the specific health care services, diseases, and types of
- 2 providers for which coverage is provided under the
- 3 Medicaid program under IC 12-15; and
- 4 (B) supplemental benefits available under the program.
- 5 (2) Ensure that providers that contract with a program
- 6 carrier:
- 7 (A) do not charge program enrollees or third parties for
- 8 covered health care services in excess of the amount
- 9 allowed by the program carrier;
- 10 (B) do not refuse to provide coverage to a program
- 11 enrollee on the basis of health status, medical condition,
- 12 previous insurance status, race, color, creed, age, national
- 13 origin, citizenship status, gender, sexual orientation,
- 14 disability, or marital status; and
- 15 (C) are reimbursed at rates negotiated between the
- 16 program carrier and the program carrier's provider
- 17 network.

18 **Chapter 4. Participating Employers**

19 **Sec. 1. The state department shall contract with an eligible**  
20 **business to provide health coverage for:**

- 21 (1) eligible employees; and
- 22 (2) dependents of eligible employees;
- 23 of the eligible business.

24 **Sec. 2. The state department shall collect payments from a**  
25 **participating employer and an eligible employee who is a program**  
26 **enrollee to cover the cost of:**

- 27 (1) health coverage for the program enrollee and dependents
- 28 of the program enrollee in contribution amounts determined
- 29 by the state department;
- 30 (2) quality assurance, disease prevention, disease
- 31 management, and cost containment programs;
- 32 (3) administrative services; and
- 33 (4) health promotion costs.

34 **Sec. 3. (a) The state department shall establish a minimum**  
35 **contribution level, not to exceed sixty percent (60%), to be paid by**  
36 **a participating employer toward the participating employer's**  
37 **aggregate payment for coverage of eligible employees who are**  
38 **program enrollees.**

39 **(b) A minimum required contribution level established under**  
40 **subsection (a) must be prorated for program enrollees who work**  
41 **less than the number of hours of a full-time equivalent eligible**  
42 **employee.**

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1 (c) The state department may establish a separate minimum  
2 contribution level to be paid by a participating employer for  
3 coverage of dependents of eligible employees who are program  
4 enrollees.

5 Sec. 4. The state department shall require a participating  
6 employer to certify that:

7 (1) at least seventy-five percent (75%) of the participating  
8 employer's eligible employees who:

9 (A) work for the participating employer at least thirty (30)  
10 hours per week; and

11 (B) do not have other creditable coverage;  
12 are program enrollees; and

13 (2) the participating employer group otherwise meets the  
14 minimum participation requirements under this article.

15 Sec. 5. The state department shall reduce program payment  
16 amounts for a program enrollee who is eligible for a subsidy under  
17 IC 16-48-6.

18 Sec. 6. The state department shall require a participating  
19 employer to pass on a subsidy to a program enrollee who qualifies  
20 for a subsidy under IC 16-48-6, not to exceed the full amount of  
21 payments made by the program enrollee.

22 Sec. 7. The state department may establish other criteria for  
23 participation and may limit the number of participating employers.

24 Chapter 5. Individual Enrollees

25 Sec. 1. The state department may permit an eligible individual  
26 to participate in program health coverage for the eligible  
27 individual and dependents of the eligible individual.

28 Sec. 2. The state department may collect payments from an  
29 eligible individual who is a program enrollee to cover the cost of:

30 (1) health coverage for the program enrollee and dependents  
31 of the program enrollee in contribution amounts determined  
32 by the state department;

33 (2) quality assurance, disease prevention, disease  
34 management, and cost containment programs;

35 (3) administrative services; and

36 (4) health promotion costs.

37 Sec. 3. The state department shall reduce program payment  
38 amounts for a program enrollee who is eligible for a subsidy under  
39 IC 16-48-6.

40 Sec. 4. The state department may require an eligible individual  
41 who is a program enrollee to certify that all of the eligible  
42 individual's dependents are program enrollees or are covered by

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another creditable plan.

**Sec. 5.** The state department may require an eligible individual who is currently employed by an eligible business that does not offer health coverage to certify that the eligible business did not provide access to an employer sponsored health benefit plan in the twelve (12) month period immediately preceding the eligible individual's program application.

**Sec. 6.** The state department may limit the number of program enrollees and may establish other criteria for participation.

**Chapter 6. Subsidies**

**Sec. 1. (a)** The state department shall establish sliding scale subsidies for the purchase of health coverage paid by an eligible individual or eligible employee:

- (1) whose income is less than three hundred percent (300%) of the federal poverty level;
- (2) who is a resident of Indiana;
- (3) who is not eligible for Medicaid; and
- (4) who is a program enrollee.

**(b)** The state department may establish sliding scale subsidies for the purchase of employer sponsored health coverage by an employee:

- (1) of an employer that employs more than fifty (50) employees;
- (2) whose income is less than three hundred percent (300%) of the federal poverty level;
- (3) who is not eligible for Medicaid; and
- (4) who meets other criteria established by the state department;

if the employer sponsored health coverage meets criteria established by the state department.

**Sec. 2.** The state department shall limit the availability of subsidies consistent with availability of funds.

**Sec. 3.** The state department may limit a subsidy to forty percent (40%) of the amount of a payment made by an eligible individual who is a program enrollee to more closely parallel the subsidy received by an eligible employee who is a program enrollee. However, a subsidy granted to an eligible individual may not exceed the maximum subsidy level available to an eligible employee.

**Chapter 7. Savings Offset Payments**

**Sec. 1. (a)** The commissioner shall annually conduct a hearing under IC 4-21.5 to obtain public testimony concerning the program

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1 before making a determination under subsection (b).

2 (b) The commissioner shall, following the hearing described in  
3 subsection (a), annually determine any:

4 (1) aggregate measurable cost savings, including a reduction  
5 or avoidance of bad debt and charity care costs, to providers  
6 in Indiana as a result of the operation of the program; and

7 (2) increase in coverage provided under the:

8 (A) Medicaid program under IC 12-15; or

9 (B) children's health insurance program under IC 12-17.6;  
10 funded by the program.

11 Sec. 2. (a) The commissioner shall establish a savings offset  
12 payment, at a rate not to exceed the aggregate measurable cost  
13 savings determined under section 1 of this chapter, to be made  
14 annually to the state department by carriers, employee benefit  
15 excess insurance carriers, and third party administrators, not  
16 including carriers, employee benefit excess insurance carriers, and  
17 third-party administrators for accidental injury, specified disease,  
18 hospital indemnity, dental, vision, disability, income, long-term  
19 care, Medicare supplement, or other limited benefit health  
20 coverage.

21 (b) Savings offset payments must begin twelve (12) months after  
22 the program begins providing health coverage.

23 (c) Savings offset payments:

24 (1) must be made on a quarterly basis not less than thirty (30)  
25 days after written notice from the state department to the  
26 carrier, employee benefit excess insurance carrier, or third  
27 party administrator; and

28 (2) accrue interest at twelve percent (12%) per annum on or  
29 after the due date.

30 Sec. 3. (a) Each carrier and employee benefit excess insurance  
31 carrier shall make a savings offset payment in an amount that does  
32 not exceed four percent (4%) of annual health coverage premiums  
33 or employee benefit excess insurance premiums received by the  
34 carrier or employee benefit excess insurance carrier for coverage  
35 of residents of Indiana.

36 (b) Savings offset payments made under subsection (a) must not  
37 exceed the aggregate measurable cost savings determined under  
38 section 1 of this chapter.

39 Sec. 4. (a) The commissioner shall make reasonable efforts to  
40 ensure that premium revenue, or claims plus administrative  
41 expenses and fees with respect to third party administrators, is  
42 counted only once in savings offset payments.

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**(b) The state department shall allow:**

**(1) a carrier to exclude from the carrier's gross premium revenue reinsurance premiums that have been counted by the carrier for the purpose of determining the carrier's savings offset payment; and**

**(2) an employee benefit excess insurance carrier to exclude from the employee benefit excess insurance carrier's gross premium revenue the amount of claims that have been counted by a third party administrator for the purpose of determining the third party administrator's savings offset payment.**

**(c) The state department may verify a savings offset payment amount based on annual statements and other reports of a carrier, an employee benefit excess insurance carrier, or a third party administrator.**

**Sec. 5. The commissioner of the department of insurance may:**

**(1) suspend or revoke, after notice and hearing:**

**(A) a carrier's or an employee benefit excess insurance carrier's certificate of authority under IC 27; or**

**(B) a third party administrator's license under IC 27-1-25; if the carrier, employee benefit excess insurance carrier, or third party administrator fails to make a savings offset payment;**

**(2) assess a civil penalty against a carrier, an employee benefit excess insurance carrier, or a third party administrator that fails to make a savings offset payment; or**

**(3) take another enforcement action to collect any unpaid savings offset payments for the state department.**

**Sec. 6. (a) On an annual basis, the state department shall prospectively determine the savings offset to be applied during each twelve (12) month period.**

**(b) Annual savings offset payments must be reconciled to determine whether unused savings offset payments may be returned to carriers, employee benefit excess insurance carriers, and third party administrators according to a formula developed by the state department.**

**(c) Savings offset payments must be used solely to fund the subsidies established under IC 16-48-6 and may not exceed savings from reductions in growth of the state's health care spending and bad debt and charity care.**

**Sec. 7. (a) A carrier and a provider shall demonstrate that best efforts have been made to ensure that a carrier has recovered**

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1 savings offset payments made under this chapter through  
2 negotiated reimbursement rates that reflect the provider's  
3 reduction or stabilization of bad debt and charity care as a result  
4 of the program.

5 (b) A carrier shall use best efforts to ensure that health coverage  
6 premiums charged by the carrier reflect recovery of savings offset  
7 payments as the savings offset payments are reflected through  
8 incurred claims experience.

9 Sec. 8. During a negotiation with a carrier relating to a  
10 provider's reimbursement agreement with the carrier, the provider  
11 shall provide data related to a reduction or stabilization of bad  
12 debt and charity care costs to providers in Indiana as a result of  
13 the program.

14 Chapter 8. Health High Risk Pool

15 Sec. 1. The state department shall establish a health high risk  
16 pool.

17 Sec. 2. A program enrollee must be included in the high risk  
18 pool if the:

19 (1) total cost of health care services for the program enrollee  
20 exceeds one hundred thousand dollars (\$100,000) in a twelve  
21 (12) month period; or

22 (2) program enrollee has been diagnosed with one (1) or more  
23 of the following conditions:

24 (A) Acquired immune deficiency syndrome.

25 (B) Angina pectoris.

26 (C) Cirrhosis of the liver.

27 (D) Coronary occlusion.

28 (E) Cystic fibrosis.

29 (F) Friedreich's ataxia.

30 (G) Hemophilia.

31 (H) Hodgkin's disease.

32 (I) Huntington's chorea.

33 (J) Juvenile diabetes.

34 (K) Leukemia.

35 (L) Metastatic cancer.

36 (M) Motor or sensory aphasia.

37 (N) Multiple sclerosis.

38 (O) Muscular dystrophy.

39 (P) Myasthenia gravis.

40 (Q) Myotonia.

41 (R) Heart disease requiring open heart surgery.

42 (S) Parkinson's disease.

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1           **(T) Polycystic kidney disease.**  
 2           **(U) Psychotic disorders.**  
 3           **(V) Quadriplegia.**  
 4           **(W) Stroke.**  
 5           **(X) Syringomyelia.**  
 6           **(Y) Wilson's disease.**  
 7       **Sec. 3. The state department shall:**  
 8           **(1) develop appropriate disease management protocols and**  
 9           **procedures for implementing the disease management**  
 10          **protocols; and**  
 11          **(2) determine the manner in which disease management**  
 12          **services must be provided to program enrollees in the high**  
 13          **risk pool.**  
 14       **Sec. 4. The state department may:**  
 15          **(1) include disease management services in the state**  
 16          **department's contract with a program carrier;**  
 17          **(2) contract with another entity for disease management**  
 18          **services; or**  
 19          **(3) provide disease management services directly through the**  
 20          **program.**  
 21       **Chapter 9. Confidentiality**  
 22       **Sec. 1. Personally identifiable financial information, supporting**  
 23       **data, and a person's tax return obtained by the program under this**  
 24       **article are confidential.**  
 25       **Sec. 2. Health information obtained by the program under this**  
 26       **article and covered by the federal Health Insurance Portability and**  
 27       **Accountability Act of 1996 is confidential.**

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